

Message Text

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12

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-03 H-02 SAM-01 /084 W
----- 027278

R 180515Z JAN 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 4503

INFO AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

USINT BAGHDAD

C O N F I D E N T I A L KUWAIT 0281

E.O. 1102: GDS

TAGS: ETRD KU, XF, US

SUBJ: RECENT BOYCOTT DEVELOPMENTS

REF: 75 KUWAIT 5308, 75 KUWAIT 5128

1. SINCE REFTELS WERE SENT DESCRIBING LOCAL REACTION TO US
AND ANTI-ARAB BOYCOTT CAMPAIGN, TWO OR THREE DEVELOPMENTS
HAVE OCCURRED OF POSSIBLE INTEREST TO DEPARTMENT AND
ADDRESSEES. AS DEPARTMENT AWARE FIRST IMPORTANT PUBLIC
STATEMENT BY SENIOR GOK OFFICIAL APPEARED RECENTLY IN
CHRISTIAN
CONFIDENTIAL

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SCIENCE MONITOR ARTICLE REPORTING ATEEQI'S
REMARKS ON SUBJECT. ATEEQI REITERATED HIS GENERAL THEMES
LOCALLY IN ARTICLE WHICH APPEARED IN DAILY NEWS JANUARY 17.
REFERRING TO CSM ARTICLE AND DEVELOPMENTS IN US, ATEEQI

SAID US WILL BE ULTIMATE LOSER, AND HIS DESCRIBED RECENT DEVELOPMENTS AS TRAP SET BY ZIONISTS FOR AMERICANS TO IMPOSE LIMITATIONS ON US CORPORATIONS.

2. AT WORKING LEVEL BANKERS INDICATE THAT SOME BUSINESS CONTINUES TO BE TRANSACTED WITH NEW YORK BANKS, BUT CLEARLY NEW YORK LAW WHICH BECAME EFFECTIVE JANUARY 1 IS CAUSING CONCERN AMONG BUSINESSMEN BOTH IN US AND HERE SO THAT THERE CONSIDERABLE CONFUSION AND DOUBT ABOUT WHAT CAN AND CANNOT BE DONE. OUR IMPRESSION FROM REMARKS OF LOCAL BANKERS IS THAT NORMAL FLOW OF ACTIVITY BEING DISRUPTED.

3. WE HAVE LEARNED CONFIDENTIALLY THAT KNPC'S ATTORNEYS IN US HAVE ADVISED COMPANY THAT THEY (ATTORNEYS) DO NOT BELIEVE THAT DOCUMENTS REQUIRED BY US PURCHASING SUBSIDIARY OF KNPC, KUNPETCO OF CHICAGO, VIOLATE LAWS AGAINST RELIGIOUS DISCRIMINATION, BUT KNPC ADVISED THAT IT MUST SUBMIT QUARTERLY REPORTS TO COMMERCE REGARDING BOYCOTT INFORMATION REQUESTS ORIGINATING IN KUWAIT. ATTORNEYS HAVE ALSO INDICATED THAT NEW YORK FREIGHT FORWARDERS ARE BALKING AT HANDLING DOCUMENTS, AND COMPANY MAY HAVE TO DEAL WITH PORTS OUTSIDE NEW YORK.

4. MORNING OF JANUARY 17 BECHTEL'S SENIOR GOVERNMENT AFFAIRS REP HERE, KEITH THOMSON, CALLED EMBOFF TO SAY USG HAS DECIDED TO SUE COMPANY FOR ANTI-TRUST VIOLATIONS. HE SAID COMPANY WILL OBSERVE VARIOUS PRESIDENTIAL STATEMENTS TO LETTER TO SHOW ITS GOOD FAITH AND AS RESULT WILL NOT RPT NOT BE ABLE TO BID ON ANY NEW WORK WHERE BOYCOTT CLAUSE IS INVOLVED. APPARENTLY THIS WILL AFFECT BECHTEL BID ON MAJOR IRAQI PIPELINE PROJECT AND PERHAPS ON SAUDI PIPELINE WORK AS WELL. BECHTEL WILL CONTINUE WITH JOBS ALREADY CONTRACTED FOR, HOWEVER.

5. COMMENT: WE THINK THAT WITH NEWS OF USG LEGAL ACTION AGAINST BECHTEL IT WILL BECOME EXTREMELY DIFFICULT FOR US FIRMS TO BID ON WORK HERE FOR FEAR OF VIOLATING US LAW.
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ON OTHER HAND PUBLICITY OF BECHTEL SUIT TOGETHER WITH ATEEQI INTERVIEWS MEANS THAT ISSUE IS NOW PUBLIC AND POLITICAL WITH RESULT THAT IT WILL BE HARDER THAN EVER TO GET GOK TO MODIFY ITS APPLICATION OF BOYCOTT.
MAU

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TAGS: ETRD, KU, XF, US, BECHTEL
To: STATE INFO ABU DHABI
AMMAN
BEIRUT
CAIRO
DAMASCUS
DHAHRAN

DOHA
JIDDA
MANAMA
MUSCAT
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